

HOUSE BILL NO. 461

INTRODUCED BY D. GALLIK

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A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE PAY SCHEDULES FOR STATE EMPLOYEES IN THE STATEWIDE, TEACHERS', AND BLUE-COLLAR PAY PLANS; INCREASING THE STATE CONTRIBUTION TO THE EMPLOYEE GROUP BENEFITS PROGRAM; PROVIDING FLEXIBILITY FOR IMPLEMENTING PAY SCHEDULES; APPROPRIATING FUNDS TO IMPLEMENT BENEFIT REVISIONS AND CONTINGENCIES; AMENDING SECTIONS 2-18-301, 2-18-303, 2-18-312, 2-18-313, 2-18-315, AND 2-18-703, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-18-301, MCA, is amended to read:

"2-18-301. Purpose and intent of part -- rules. (1) The purpose of this part is to provide the market-based compensation necessary to attract and retain competent and qualified employees in order to perform the services that the state is required to provide to its citizens.

(2) It is the intent of the legislature that compensation plans for state employees, excluding those employees excepted under 2-18-103 or 2-18-104 and excluding employees compensated under 2-18-313 and 2-18-315, be based on an analysis of the labor market as provided by the department in a salary survey. The salary survey must be submitted to the office of budget and program planning as a part of the information required by 17-7-111.

(3) Except as provided in 2-18-110, pay adjustments and pay schedules provided for in 2-18-303 and in 2-18-312, 2-18-313, and 2-18-315 supersede any other plan or systems established through collective bargaining after the adjournment of the ~~57th~~ 58th legislature.

(4) Pay levels provided for in 2-18-312, 2-18-313, and 2-18-315 may not be increased through collective bargaining after adjournment of the ~~57th~~ 58th legislature.

(5) Total funds required to implement the pay schedules provided for in 2-18-312, 2-18-313, and 2-18-315 for any employee group or bargaining unit may not be increased through collective bargaining over the amount appropriated by the ~~57th~~ 58th legislature.

(6) The department shall administer the pay program established by the legislature on the basis of merit,



1 internal equity, and competitiveness to external labor markets when fiscally able.

2 (7) The department may promulgate rules not inconsistent with the provisions of this part, collective
3 bargaining statutes, or negotiated contracts to carry out the purposes of this part.

4 (8) Nothing in this part prohibits the board of regents from engaging in negotiations with the collective
5 bargaining units representing the classified staff of the university system."
6

7 **Section 2.** Section 2-18-303, MCA, is amended to read:

8 **"2-18-303. Procedures for using pay schedules.** (1) The pay schedules provided in 2-18-312 must
9 be implemented as follows:

10 (a) The pay schedules provided in 2-18-312 indicate the entry salary and market salary for each grade
11 for positions classified under the provisions of part 2 of this chapter.

12 (b) Each employee newly hired by the state of Montana must be hired at the entry rate, except as
13 provided in subsections (6) through (9).

14 (c) On the first day of the first complete pay period in fiscal year ~~2002~~ 2004, each employee is entitled
15 to the amount of the employee's base salary as it was on June 30, ~~2004~~ 2003.

16 (d) Effective on the first day of the pay period that includes an employee's anniversary date during the
17 fiscal years ending June 30, ~~2002~~ 2004, and June 30, ~~2003~~ 2005, the employee's base salary must be increased
18 by 4% or by a lesser amount so that the employee's base salary after the increase does not exceed the
19 maximum salary of the pay grade as provided in subsection (1)(f). An employee's base salary increases resulting
20 from subsection (1)(e) and this subsection may not exceed a maximum of 4% in each fiscal year. For employees
21 hired on or before September 30, 1994, the anniversary date is October 1.

22 (e) An employee's base salary may be no less than the entry salary for the employee's assigned grade.

23 (f) The maximum salary for each grade is determined by subtracting the entry salary from the market
24 salary and adding that amount to the market salary.

25 (2) The pay schedules provided in 2-18-312 and the provisions of subsection (1) of this section do not
26 apply to those teachers or blue-collar occupations compensated under the pay schedules provided in 2-18-313
27 and 2-18-315.

28 (3) The pay schedules provided in 2-18-313 and 2-18-315 must be implemented as follows:

29 (a) (i) The pay schedules provided for in 2-18-313 indicate the annual compensation for teachers
30 employed under the authority of the department of corrections or the department of public health and human

1 services for fiscal years ~~2002~~ 2004 and ~~2003~~ 2005.

2 (ii) The compensation of each teacher on July 1, ~~2004~~ 2003, is the same as it was on June 30, ~~2004~~
3 2003.

4 (iii) On the first day of the first pay period that includes October 1 of each fiscal year, a teacher employed
5 under the authority of the department of public health and human services or the department of corrections
6 before October 1, 1994, shall advance one step on the appropriate pay schedule adopted in 2-18-313. A teacher
7 hired after October 1, 1994, shall advance on the teacher's actual anniversary date.

8 (b) The pay schedules provided in 2-18-315 indicate the maximum hourly compensation for fiscal years
9 ending June 30, ~~2002~~ 2004, and June 30, ~~2003~~ 2005, for employees in apprentice trades and crafts and other
10 blue-collar occupations recognized in the state blue-collar classification plan who are members of units that have
11 collectively bargained separate classification and pay plans.

12 (c) The compensation of each employee on the first day of the first pay period in each fiscal year is that
13 amount corresponding to the grade occupied on the last day of the preceding fiscal year.

14 (4) (a) (i) A member of a bargaining unit may not receive a pay increase until the employer's collective
15 bargaining representative receives written notice that the employee's bargaining unit has ratified a completely
16 integrated collective bargaining agreement covering the biennium ending June 30, ~~2003~~ 2005.

17 (ii) If ratification of a completely integrated collective bargaining agreement, as required by subsection
18 (4)(a)(i), is not completed by July 1, ~~2004~~ 2003, retroactivity to that date may be negotiated.

19 (iii) If ratification of a completely integrated collective bargaining agreement, as required by subsection
20 (4)(a)(i), is not completed by July 1, ~~2004~~ 2003, members of the bargaining unit must continue to receive the
21 compensation that they were receiving as of June 30, ~~2004~~ 2003, until an agreement is ratified.

22 (b) Methods of administration not inconsistent with the purpose of this part and necessary to properly
23 implement the pay schedules and adjustments provided in 2-18-312, 2-18-313, 2-18-315, and this section may
24 be provided for in collective bargaining agreements.

25 (5) The current wage or salary of an employee may not be reduced by the implementation of the pay
26 schedules provided for in 2-18-312, 2-18-313, and 2-18-315.

27 (6) The department may authorize a separate pay schedule for classes of medical professionals if the
28 rates provided in 2-18-312 are not sufficient to attract and retain fully licensed and qualified professionals.

29 (7) (a) The department may develop and implement an alternative pay and classification plan for certain
30 classes, occupations, and work units. Pay for employees in the alternative pay and classification plan may be

1 established and changed based on demonstrated competencies and accomplishments, on the labor market, and
2 on other situations defined by the department.

3 (b) To the extent that the plan applies to employees within a collective bargaining unit, the
4 implementation of the plan is a negotiable subject under 39-31-305.

5 (8) The department may develop programs that enable the department to mitigate problems associated
6 with difficult recruitment, retention, transfer, or other exceptional circumstances. To the extent that the program
7 applies to employees within a collective bargaining unit, it is a negotiable subject under 39-31-305.

8 (9) The department shall review the competitiveness of the compensation provided to all occupations
9 under this part. If the department finds that substantial problems exist with recruitment and retention because
10 of inadequate salaries when compared to competing employers, the department may establish criteria allowing
11 an adjustment in pay or classification to mitigate the problems. To the extent that these adjustments apply to
12 employees within a collective bargaining unit, the implementation of these adjustments is a negotiable subject
13 under 39-31-305."

14

15 **Section 3.** Section 2-18-312, MCA, is amended to read:

16 **"2-18-312. Statewide pay schedules.** (1) The statewide classification pay schedule for the period
17 beginning on the first day of the first full pay period in fiscal year ~~2002~~ 2004, is as follows:

18 Annual Hours -- 2080

Note: Does Not Include Insurance

19 Pay Matrix -- State

Matrix Type -- Annual

20 Pay Range: Entry Salary to Market Salary

21 GRADE	ENTRY SALARY	MARKET SALARY
22 1	9,075	10,677
23 2	9,776	11,527
24 3	10,529	12,447
25 4	11,346	13,445
26 5	12,262	14,562
27 6	13,316	15,854
28 7	14,456	17,249
29 8	15,748	18,834
30 9	17,135	20,546

1	10	18,676	22,447
2	11	20,365	24,534
3	12	22,241	26,859
4	13	24,286	29,403
5	14	26,560	32,230
6	15	29,074	35,370
7	16	31,884	38,888
8	17	35,036	42,833
9	18	38,339	46,983
10	19	42,039	51,644
11	20	46,170	56,885
12	21	50,754	62,660
13	22	55,877	69,154
14	23	61,655	76,498
15	24	68,147	84,760
16	25	75,329	93,924
17	<u>1</u>	<u>9,703</u>	<u>11,415</u>
18	<u>2</u>	<u>10,452</u>	<u>12,324</u>
19	<u>3</u>	<u>11,257</u>	<u>13,308</u>
20	<u>4</u>	<u>12,131</u>	<u>14,375</u>
21	<u>5</u>	<u>13,110</u>	<u>15,569</u>
22	<u>6</u>	<u>14,237</u>	<u>16,950</u>
23	<u>7</u>	<u>15,456</u>	<u>18,442</u>
24	<u>8</u>	<u>16,837</u>	<u>20,136</u>
25	<u>9</u>	<u>18,320</u>	<u>21,967</u>
26	<u>10</u>	<u>19,968</u>	<u>23,999</u>
27	<u>11</u>	<u>21,773</u>	<u>26,231</u>
28	<u>12</u>	<u>23,779</u>	<u>28,716</u>
29	<u>13</u>	<u>25,966</u>	<u>31,436</u>
30	<u>14</u>	<u>28,397</u>	<u>34,459</u>

1	<u>15</u>	<u>31,085</u>	<u>37,816</u>
2	<u>16</u>	<u>34,089</u>	<u>41,577</u>
3	<u>17</u>	<u>37,459</u>	<u>45,795</u>
4	<u>18</u>	<u>40,990</u>	<u>50,232</u>
5	<u>19</u>	<u>44,946</u>	<u>55,215</u>
6	<u>20</u>	<u>49,363</u>	<u>60,819</u>
7	<u>21</u>	<u>54,264</u>	<u>66,993</u>
8	<u>22</u>	<u>59,741</u>	<u>73,936</u>
9	<u>23</u>	<u>65,919</u>	<u>81,788</u>
10	<u>24</u>	<u>72,860</u>	<u>90,622</u>
11	<u>25</u>	<u>80,538</u>	<u>100,419</u>

12 (2) Effective on the first day of the pay period that includes October 1, ~~2001~~ 2003, the statewide
 13 classification pay schedule is as follows:

14 Annual Hours -- 2080 Note: Does Not Include Insurance

15 Pay Matrix -- State Matrix Type -- Annual

16 Pay Range: Entry Salary to Market Salary

17	GRADE	ENTRY SALARY	MARKET SALARY
18	1	9,384	11,040
19	2	10,108	11,919
20	3	10,887	12,870
21	4	11,732	13,902
22	5	12,679	15,057
23	6	13,769	16,393
24	7	14,948	17,835
25	8	16,283	19,474
26	9	17,718	21,245
27	10	19,311	23,210
28	11	21,057	25,368
29	12	22,997	27,772
30	13	25,112	30,403

1	14	27,463	33,326
2	15	30,063	36,573
3	16	32,968	40,210
4	17	36,227	44,289
5	18	39,643	48,580
6	19	43,468	53,400
7	20	47,740	58,819
8	21	52,480	64,790
9	22	57,777	71,505
10	23	63,751	79,099
11	24	70,464	87,642
12	25	77,890	97,117
13	<u>1</u>	<u>10,091</u>	<u>11,872</u>
14	<u>2</u>	<u>10,870</u>	<u>12,817</u>
15	<u>3</u>	<u>11,707</u>	<u>13,840</u>
16	<u>4</u>	<u>12,616</u>	<u>14,950</u>
17	<u>5</u>	<u>13,634</u>	<u>16,192</u>
18	<u>6</u>	<u>14,806</u>	<u>17,628</u>
19	<u>7</u>	<u>16,074</u>	<u>19,180</u>
20	<u>8</u>	<u>17,510</u>	<u>20,941</u>
21	<u>9</u>	<u>19,053</u>	<u>22,846</u>
22	<u>10</u>	<u>20,767</u>	<u>24,959</u>
23	<u>11</u>	<u>22,644</u>	<u>27,280</u>
24	<u>12</u>	<u>24,730</u>	<u>29,865</u>
25	<u>13</u>	<u>27,005</u>	<u>32,693</u>
26	<u>14</u>	<u>29,533</u>	<u>35,837</u>
27	<u>15</u>	<u>32,328</u>	<u>39,329</u>
28	<u>16</u>	<u>35,453</u>	<u>43,240</u>
29	<u>17</u>	<u>38,957</u>	<u>47,627</u>
30	<u>18</u>	<u>42,630</u>	<u>52,241</u>

1	<u>18</u>	40,990	50,232
2	<u>19</u>	44,946	55,215
3	<u>20</u>	49,363	60,819
4	<u>21</u>	54,264	66,993
5	<u>22</u>	59,741	73,936
6	<u>23</u>	65,919	81,788
7	<u>24</u>	72,860	90,622
8	<u>25</u>	80,538	100,419
9	<u>1</u>	10,495	12,346
10	<u>2</u>	11,305	13,330
11	<u>3</u>	12,176	14,394
12	<u>4</u>	13,121	15,548
13	<u>5</u>	14,180	16,839
14	<u>6</u>	15,399	18,333
15	<u>7</u>	16,717	19,947
16	<u>8</u>	18,211	21,779
17	<u>9</u>	19,815	23,760
18	<u>10</u>	21,597	25,957
19	<u>11</u>	23,550	28,371
20	<u>12</u>	25,719	31,059
21	<u>13</u>	28,085	34,001
22	<u>14</u>	30,714	37,271
23	<u>15</u>	33,622	40,902
24	<u>16</u>	36,871	44,970
25	<u>17</u>	40,516	49,532
26	<u>18</u>	44,335	54,331
27	<u>19</u>	48,614	59,721
28	<u>20</u>	53,391	65,782
29	<u>21</u>	58,692	72,460
30	<u>22</u>	64,616	79,969

1	<u>23</u>	<u>71,298</u>	<u>88,462</u>
2	<u>24</u>	<u>78,805</u>	<u>98,017</u>
3	<u>25</u>	<u>87,110</u>	<u>108,613"</u>

4
 5 **Section 4.** Section 2-18-313, MCA, is amended to read:

6 **"2-18-313. Teachers' pay schedules.** (1) The pay schedule for teachers for the period that includes
 7 October 1, ~~2004~~ 2003, until the first day of the pay period that includes October 1, ~~2002~~ 2004, is as follows:

8 Annual Hours -- 2080 Note: Does Not Include Insurance

9 Term -- Twelve Months Matrix Type -- Annual

10	Education Level						
11	STEP	BA	BA+15	BA+30	BA+45	BA+60	BA+75
12	1	26,085	26,867	27,673	28,503	29,359	30,239
13	2	26,867	27,673	28,503	29,358	30,239	31,147
14	3	27,673	28,503	29,358	30,239	31,147	32,082
15	4	28,503	29,358	30,239	31,147	32,082	33,044
16	5	29,358	30,239	31,147	32,082	33,044	34,035
17	6	30,239	31,147	32,082	33,044	34,035	35,056
18	7	31,147	32,082	33,044	34,035	35,056	36,108
19	8	32,082	33,044	34,035	35,056	36,108	37,191
20	9	33,044	34,035	35,056	36,108	37,191	38,307
21	10	34,035	35,056	36,108	37,191	38,307	39,457
22	11	35,056	36,108	37,191	38,307	39,457	40,640
23	12	36,108	37,191	38,307	39,457	40,640	41,858
24	13	37,191	38,307	39,457	40,640	41,858	43,114
25	<u>1</u>	<u>28,214</u>	<u>29,060</u>	<u>29,931</u>	<u>30,829</u>	<u>31,753</u>	<u>32,707</u>
26	<u>2</u>	<u>29,060</u>	<u>29,931</u>	<u>30,829</u>	<u>31,753</u>	<u>32,707</u>	<u>33,689</u>
27	<u>3</u>	<u>29,931</u>	<u>30,829</u>	<u>31,753</u>	<u>32,707</u>	<u>33,689</u>	<u>34,700</u>
28	<u>4</u>	<u>30,829</u>	<u>31,753</u>	<u>32,707</u>	<u>33,689</u>	<u>34,700</u>	<u>35,741</u>
29	<u>5</u>	<u>31,753</u>	<u>32,707</u>	<u>33,689</u>	<u>34,700</u>	<u>35,741</u>	<u>36,812</u>
30	<u>6</u>	<u>32,707</u>	<u>33,689</u>	<u>34,700</u>	<u>35,741</u>	<u>36,812</u>	<u>37,917</u>

1	<u>7</u>	<u>33,689</u>	<u>34,700</u>	<u>35,741</u>	<u>36,812</u>	<u>37,917</u>	<u>39,054</u>
2	<u>8</u>	<u>34,700</u>	<u>35,741</u>	<u>36,812</u>	<u>37,917</u>	<u>39,054</u>	<u>40,226</u>
3	<u>9</u>	<u>35,741</u>	<u>36,812</u>	<u>37,917</u>	<u>39,054</u>	<u>40,226</u>	<u>41,434</u>
4	<u>10</u>	<u>36,812</u>	<u>37,917</u>	<u>39,054</u>	<u>40,226</u>	<u>41,434</u>	<u>42,676</u>
5	<u>11</u>	<u>37,917</u>	<u>39,054</u>	<u>40,226</u>	<u>41,434</u>	<u>42,676</u>	<u>43,957</u>
6	<u>12</u>	<u>39,054</u>	<u>40,226</u>	<u>41,434</u>	<u>42,676</u>	<u>43,957</u>	<u>45,273</u>
7	<u>13</u>	<u>40,226</u>	<u>41,434</u>	<u>42,676</u>	<u>43,957</u>	<u>45,273</u>	<u>46,633</u>

8 (2) Effective on the first day of the pay period that includes October 1, 2002 ~~2004~~, the pay schedule for
 9 teachers is as follows:

10 Annual Hours -- 2080

Note: Does Not Include Insurance

11 Term -- Twelve Months

Matrix Type -- Annual

		Education Level					
STEP		BA	BA+15	BA+30	BA+45	BA+60	BA+75
14	1	27,129	27,942	28,780	29,643	30,532	31,449
15	2	27,942	28,780	29,643	30,532	31,449	32,393
16	3	28,780	29,643	30,532	31,449	32,393	33,365
17	4	29,643	30,532	31,449	32,393	33,365	34,366
18	5	30,532	31,449	32,393	33,365	34,366	35,396
19	6	31,449	32,393	33,365	34,366	35,396	36,459
20	7	32,393	33,365	34,366	35,396	36,459	37,552
21	8	33,365	34,366	35,396	36,459	37,552	38,679
22	9	34,366	35,396	36,459	37,552	38,679	39,840
23	10	35,396	36,459	37,552	38,679	39,840	41,035
24	11	36,459	37,552	38,679	39,840	41,035	42,266
25	12	37,552	38,679	39,840	41,035	42,266	43,532
26	13	38,679	39,840	41,035	42,266	43,532	44,839
27	<u>1</u>	<u>29,343</u>	<u>30,222</u>	<u>31,128</u>	<u>32,062</u>	<u>33,023</u>	<u>34,015</u>
28	<u>2</u>	<u>30,222</u>	<u>31,128</u>	<u>32,062</u>	<u>33,023</u>	<u>34,015</u>	<u>35,036</u>
29	<u>3</u>	<u>31,128</u>	<u>32,062</u>	<u>33,023</u>	<u>34,015</u>	<u>35,036</u>	<u>36,088</u>
30	<u>4</u>	<u>32,062</u>	<u>33,023</u>	<u>34,015</u>	<u>35,036</u>	<u>36,088</u>	<u>37,170</u>

1	<u>5</u>	<u>33,023</u>	<u>34,015</u>	<u>35,036</u>	<u>36,088</u>	<u>37,170</u>	<u>38,284</u>
2	<u>6</u>	<u>34,015</u>	<u>35,036</u>	<u>36,088</u>	<u>37,170</u>	<u>38,284</u>	<u>39,434</u>
3	<u>7</u>	<u>35,036</u>	<u>36,088</u>	<u>37,170</u>	<u>38,284</u>	<u>39,434</u>	<u>40,616</u>
4	<u>8</u>	<u>36,088</u>	<u>37,170</u>	<u>38,284</u>	<u>39,434</u>	<u>40,616</u>	<u>41,835</u>
5	<u>9</u>	<u>37,170</u>	<u>38,284</u>	<u>39,434</u>	<u>40,616</u>	<u>41,835</u>	<u>43,091</u>
6	<u>10</u>	<u>38,284</u>	<u>39,434</u>	<u>40,616</u>	<u>41,835</u>	<u>43,091</u>	<u>44,383</u>
7	<u>11</u>	<u>39,434</u>	<u>40,616</u>	<u>41,835</u>	<u>43,091</u>	<u>44,383</u>	<u>45,715</u>
8	<u>12</u>	<u>40,616</u>	<u>41,835</u>	<u>43,091</u>	<u>44,383</u>	<u>45,715</u>	<u>47,084</u>
9	<u>13</u>	<u>41,835</u>	<u>43,091</u>	<u>44,383</u>	<u>45,715</u>	<u>47,084</u>	<u>48,498"</u>

10

11 **Section 5.** Section 2-18-315, MCA, is amended to read:

12 **"2-18-315. Blue-collar pay schedules.** (1) The pay schedule for blue-collar workers for the period from

13 July 1, ~~2004~~ 2003, until the first day of the pay period that includes October ~~2004~~ 2003 is as follows:

14 Annual Hours -- 2080

Note: Does Not Include Insurance

15 Pay Matrix -- Blue-Collar

Matrix Type -- Hourly

16 Grade

\$/Hour

17 B1 41.275 12.395

18 B2 41.675 12.795

19 B3 42.075 13.195

20 B4 42.475 13.595

21 B5 42.875 13.995

22 B6 43.275 14.395

23 B7 43.675 14.795

24 B8 44.075 15.195

25 B9 44.475 15.595

26 B10 44.875 15.995

27 B11 45.275 16.395

28 B12 45.675 16.795

29 B13 46.075 17.195

30 B14 46.475 17.595

1 (2) Effective on the first day of the pay period that includes October 1, ~~2004~~ 2003, until the first day of
 2 the pay period that includes October ~~2002~~ 2004, the pay schedule for blue-collar workers is as follows:

3 Annual Hours -- 2080	Note: Does Not Include Insurance
4 Pay Matrix -- Blue-Collar	Matrix Type -- Hourly
5 Grade	\$/Hour
6 B1	11.835 <u>13.015</u>
7 B2	12.235 <u>13.415</u>
8 B3	12.635 <u>13.815</u>
9 B4	13.035 <u>14.215</u>
10 B5	13.435 <u>14.615</u>
11 B6	13.835 <u>15.015</u>
12 B7	14.235 <u>15.415</u>
13 B8	14.635 <u>15.815</u>
14 B9	15.035 <u>16.215</u>
15 B10	15.435 <u>16.615</u>
16 B11	15.835 <u>17.015</u>
17 B12	16.235 <u>17.415</u>
18 B13	16.635 <u>17.815</u>
19 B14	17.035 <u>18.215</u>

20 (3) Effective on the first day of the pay period that includes October 1, ~~2002~~ 2004, the pay schedule for
 21 blue-collar workers is as follows:

22 Annual Hours -- 2080	Note: Does Not Include Insurance
23 Pay Matrix -- Blue-Collar	Matrix Type -- Hourly
24 Grade	\$/Hour
25 B1	12.395 <u>13.635</u>
26 B2	12.795 <u>14.035</u>
27 B3	13.195 <u>14.435</u>
28 B4	13.595 <u>14.835</u>
29 B5	13.995 <u>15.235</u>
30 B6	14.395 <u>15.635</u>

1	B7	44.795 <u>16.035</u>
2	B8	45.195 <u>16.435</u>
3	B9	45.595 <u>16.835</u>
4	B10	45.995 <u>17.235</u>
5	B11	46.395 <u>17.635</u>
6	B12	46.795 <u>18.035</u>
7	B13	47.195 <u>18.435</u>
8	B14	47.595 <u>18.835</u> "

9

10 **Section 6.** Section 2-18-703, MCA, is amended to read:

11 **"2-18-703. Contributions.** (1) Each agency, as defined in 2-18-601, and the state compensation insurance
12 fund shall contribute the amount specified in this section toward the group benefits cost.

13 (2) For employees defined in 2-18-701 and for members of the legislature, the employer contribution for
14 group benefits is ~~\$295~~ \$366 a month for the period from July ~~2004~~ 2003 through December ~~2004~~ 2003, ~~\$325~~
15 \$410 a month for the period from January ~~2002~~ 2004 through December ~~2002~~ 2004, and ~~\$366~~ \$460 a month
16 for January ~~2003~~ 2005 and for each succeeding month. For employees of the Montana university system, the
17 employer contribution for group benefits is ~~\$325~~ \$410 a month for the period from July ~~2004~~ 2003 through June
18 ~~2002~~ 2004 and ~~\$366~~ \$460 a month for the period from July ~~2002~~ 2004 through June ~~2003~~ 2005 and for each
19 succeeding month. ~~When~~ If a state employee is terminated to achieve a reduction in force, the continuation of
20 contributions for group benefits beyond the termination date is subject to negotiation under 39-31-305.
21 Permanent part-time, seasonal part-time, and temporary part-time employees who are regularly scheduled to
22 work less than 20 hours a week are not eligible for the group benefit contribution. An employee who elects not
23 to be covered by a state-sponsored group benefit plan may not receive the state contribution. A portion of the
24 employer contribution for group benefits may be applied to an employee's costs for participation in Part B of
25 medicare under Title XVIII of the Social Security Act, as amended, if the state group benefit plan is the
26 secondary payer and medicare the primary payer.

27 (3) For employees of elementary and high school districts and of local government units, the employer's
28 premium contributions may exceed but may not be less than \$10 a month. Subject to the public hearing
29 requirement provided in 2-9-212(2)(b), the increase in a local government's property tax levy for premium
30 contributions for group benefits beyond the amount of contributions in effect on July 1, 1999, is not subject to

1 the mill levy calculation limitation provided for in 15-10-420.

2 (4) Unused employer contributions for any state employee must be transferred to an account established
 3 for this purpose by the department of administration and upon transfer may be used to offset losses occurring
 4 to the group of which the employee is eligible to be a member.

5 (5) Unused employer contributions for any government employee may be transferred to an account
 6 established for this purpose by a self-insured government and upon transfer may be used to offset losses
 7 occurring to the group of which the employee is eligible to be a member or to increase the reserves of the group.

8 (6) The laws prohibiting discrimination on the basis of marital status in Title 49 do not prohibit bona fide
 9 group insurance plans from providing greater or additional contributions for insurance benefits to employees with
 10 dependents than to employees without dependents or with fewer dependents."

11
 12 **NEW SECTION. Section 7. Appropriations.** (1) The following money for the indicated fiscal years is
 13 appropriated to the listed agencies to implement the adjustments provided for in 2-18-703:

	Fiscal Year 2004		Fiscal Year 2005	
	General	Other	General	Other
	Fund	Funds	Fund	Funds
17 Legislative Branch	24,969	6,399	81,583	20,908
18 Consumer Counsel	0	1,277	0	4,006
19 Judicial Branch	85,726	12,247	268,867	38,410
20 Executive Branch	1,042,381	1,926,519	3,263,472	6,015,663
21 University System	1,087,384	1,182,729	2,323,048	2,526,739

22
 23 (2) The following money is appropriated for the biennium to the office of budget and program planning
 24 to be distributed to agencies when personnel vacancies do not occur, retirement costs exceed agency resources,
 25 or other contingencies arise:

	Fiscal Year 2004	
	General Fund	Other Funds
28 Personal Services Contingency	1,500,000	3,000,000

29 (3) The funding for the pay schedules is contained in House Bill No. 2. Each agency listed in subsection
 30 (1) shall determine how to fund the pay schedule increases within the House Bill No. 2 appropriations for fiscal

1 year 2004 and fiscal year 2005.

2

3 NEW SECTION. **Section 8. Effective date.** [This act] is effective July 1, 2003.

4

5 NEW SECTION. **Section 9. Coordination instruction.** If both House Bill No. 13 and [this act] are
6 passed and approved, then House Bill No. 13 is void.

7

- END -